(b) if so, the reasons for failure of States to meet revenue collection targets; and

(c) the measures proposed to be taken to look at economy of States for their improvement?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL): (a) to (c) As per the assessment made in the Planning Commission, almost all the State Governments have raised substantially higher amounts of borrowings during the Ninth Plan period as against their original Ninth Plan projections. The main reason for these higher borrowings is less revenue collection and higher non-plan revenue expenditure. It is for the State Governments to take corrective measures to increase their revenue collection and reduce their non-plan revenue expenditure. The Government of India, on their part, have, in pursuance of Eleventh Finance Commission's recommendations, created a Fiscal Reforms Facility with an Incentive Fund of Rs. 10607.72 crore. The Medium Term Fiscal Reforms Programme (MTFRP) of twelve States has been approved so far under this Facility and Rs. 1284.89 crore has been released to these States from the Fund. It is up to all States, to draw up Fiscal Reforms Programme, as a solution to their financial crises.

Smuggling of Goods from Neighbouring Countries

547. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the unabated smuggling of Chinese, Nepalese and Bangladeshi goods into the country posing threat to the indigenous manufacturers;

(b) if so, whether Government have made any assessment of the problem and its overall impact on the indigenous producers;

(c) if so, the details thereof; and

(d) what measures have been taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) The case of smuggling of Chinese, Nepalese and Bangladeshi goods into the country detected so far do not indicate any serious threat to the indigenous manufacturers.

(b) and (c) Does not arise in view of (a) above.

(d) All field formations of the Customs Department including Directorate of Revenue Intelligence are alert to detect and prevent smuggling of contraband goods including those of Chinese, Nepalese and Bangladeshi origin into the country. Strict vigil is being maintained at all vulnerable points to thwart attempts to smuggle such goods into the country.

Public Sector Debts

548. SHRI S. AGNIRAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the country is facing a debt trap;

(b) if so, the reasons therefor;

(c) what steps are being taken to come out of the debt trap; and

(d) what steps have been taken to contain huge public sector debts in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) The domestic debt/GDP ratio of the combined Government sector (Central and States) increased from 56.2 per cent as at the end of March, 1991 to 61 per cent as at the end of March, 2001. The interest payments as a percentage of revenue receipts of the Central and State Governments increased from 23.6 per cent in 1990-91 to 31.2 per cent in 2000-01.

The Central Government has accorded high priority to curb fiscal deficit with a view to strengthening fiscal consolidation process and has taken several expenditure management measures viz. Zero-based budgeting, review of subsidies and their rationalisation, reduction in administered interest rates, etc. Government has also introduced Fiscal Responsibility and Budget Management Bill, 2000. The Bill provides, inter-alia, for a legal and institutional framework to eliminate revenue deficit, bring down the fiscal deficit and contain the growth of public debt as a proportion to GDP within a time-frame.

Tax Evasion by Stock Brokers

549. SHRI CHO S. RAMASWAMY: Will the Minister of FINANCE be pleased to state:

(a) the number of incidents of huge tax evasion by stock brokers across the country reported so far this year;

(b) the total amount of tax evaded by them individually;